Registered number: 2881745

London Southend Airport Company Limited

Report and Financial Statements

28 February 2009

Registered No: 2881745

Directors
W Stobart
W A Tinkler
A J M Welch
B M Whawell

Secretary
T Howarth

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Directors' report

The directors present their report with the audited financial statements of the company for the 11 month period ended 28 February 2009.

Principal activities and review of the business

The principal activity of the company continued to be that of operating and managing a commercial airport.

Turnover for the 11 month period ended 28 February 2009 was £6,563,452 (year ended 31 March 2008: £6,902,175). Following exceptional operating costs arising from employee service and retention arrangements and an organisational restructuring, the company reported an operating loss of £954,384 (year ended 31 March 2008: profit £460,606) and a loss on ordinary activities before taxation of £936,373 (year ended 31 March 2008: profit £485,597). As in previous years, operating costs include further repairs and improvements to the airport infrastructure.

Following the decision by the parent company, Regional Airports Limited, to attract new investors, the company was acquired by Stobart Airports Limited, a subsidiary undertaking of Stobart Group Limited on 2 December 2008. The Stobart Group has begun to implement the development plans, as set out below.

Principal Risks and Uncertainties

The Board regularly reviews the risks facing the business.

The most important external risk is the escalating cost of fuel.

The most important internal risks, over which the Board and management have some control, include the loss of key staff, and changes affecting our relationship with the operators using the airport and other safety and security risks facing an operational airport. In these and other risks the Board have established controls which are reviewed regularly.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, liquidity risk and credit risk.

Price risk

The company is exposed to price risks due to normal inflationary increases in the purchase price of goods and services and changes in the market place in which it operates. The company manages the increasing costs of fuel through its purchasing arrangements with Air BP.

Liquidity risk

The company has a rigorous credit policy which it uses to manage credit risk.

Results and dividends

The results for the year are set out on page 8.

The directors do not recommend payment of an ordinary dividend.

Directors' report (continued)

Future developments

The company's short to medium term strategy is to expand existing passenger services to and from European destinations and as a Gateway to South Essex, the Thames Gateway and London; to attract more business aviation aircraft to use the airport and be based there; and to expand the present range of aircraft hangarage and maintenance facilities on the airport.

The plan is being implemented in two phases. Phase 1 includes a new Railway Station for which planning consent has already been granted. Preparatory site works commenced in February 2009 following the acquisition of the company by the Stobart Group. The plan also includes a new on site 4 star hotel, a new visual control tower and additional hangarage.

Phase 2 represents further development of the airport to allow a wider range of leisure and business routes to be served by a range of regional airliners from a longer runway. Discussions with airlines to date suggests an extended runway will open up new routes to meet the needs of the 2.5 million people living within a 1 hour catchment area from the airport to fly from their local airport. The development of more leisure routes has a wide base of support locally and is of significant interest to airlines.

Management is of the view that successful completion of Phase 2 will allow effective usage of the new facilities in advance of the 2012 Olympics. Phase 2 will include an extension of the runway to a usable length of 1799 metres.

The design, construction and opening of the new Passenger Terminal would mean the terminal is fewer than 100 steps away from the railway station, making the airport one of the finest integrated transport facilities in the London area.

The development of the airport is a feature of the Joint Area Action Plan currently being progressed jointly by the two local authorities – Southend on Sea Borough Council and Rochford District Council. A Public Consultation was completed in August 2008 and a draft Plan was published in February 2009 which fully supports the planned airport developments.

With the implementation of these schemes Southend Airport will be set for a period of redevelopment and make a solid contribution to the economic and employment objectives of the Thames Gateway and the communities of Southend and Rochford.

Directors

The following directors have held office during the 11 month period beginning 1 April 2008:

A R Campbell (Resigned 5th December 2008)
W Stobart (Appointed 5th December 2008)
W A Tinkler (Appointed 5th December 2008)
A R Walters (Resigned 5th December 2008)
A J M Welch
B M Whawell (Appointed 5th December 2008)

Charitable donations

During the year the company made the following payments:

	11 month period ended 28 February 2009	*Year ended 31 March 2008*
Charitable donations	950	1,800

Directors' report (continued)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirmed that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A J M Welch

Director

21st Dec. 2009

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statement in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of London Southend Airport Company Limited

We have audited the financial statements of London Southend Airport Company Limited for the period ended 28 February 2009 which comprise the Profit and Loss Account, the Note of Historical Cost Profit and Losses, the Balance Sheet and related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of London Southend Airport Company Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2009 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Manchester
22 December 2009

Profit and loss account

for the period ended 28 February 2009

	Notes	*11 month period ended 28 February 2009* £	*Year ended 31 March 2008* £
Turnover	2	6,563,452	6,902,175
Cost of sales		(2,596,598)	(2,512,560)
Gross profit		3,966,854	4,389,615
Administrative expenses		(4,095,666)	(3,929,009)
Exceptional item	3	(825,572)	-
Operating (loss)/profit	3	(954,384)	460,606
Other interest receivable and similar income	4	25,687	35,268
Interest payable and similar charges	5	(7,676)	(10,277)
(Loss)/Profit on ordinary activities before taxation		(936,373)	485,597
Tax on profit on ordinary activities	6	136,518	(170,197)
(Loss)/Profit for the period	18	(799,855)	315,400

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

	11 month period ended 28 February 2009 £	*Year ended 31 March 2008* £
Reported (loss)/profit on ordinary activities before taxation	(936,373)	485,597
Difference between an historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	32,848	35,834
Historical cost (loss)/profit on ordinary activities before taxation	(903,525)	521,431
Historical cost (loss)/profit for the period retained after taxation, extraordinary items and dividends	(767,007)	351,234

Balance Sheet

As at 28 February 2009

	Notes	28 February 2009 £	31 March 2008 £
Fixed assets			
Intangible assets	7	50,667	58,000
Tangible assets	8,9	2,527,048	1,983,654
Investments	10	2	2
		2,577,717	2,041,656
Current assets			
Stocks	11	67,965	128,432
Debtors	12	1,138,689	1,478,564
Cash at bank and in hand		395,532	1,083,040
		1,602,186	2,690,036
Creditors: amounts falling due within one year	13	(1,886,105)	(1,967,970)
Net current assets		(283,919)	722,066
Total assets less current liabilities		2,293,798	2,763,722
Creditors: amounts falling due after more than one year	14	(151,938)	(115,142)
Accruals and deferred income	15	(1,483,297)	(1,230,830)
Provision for liabilities and charges	16	(40,668)	-
		617,895	1,417,750
Capital and reserves			
Called up share capital	18	24,000	24,000
Revaluation reserve	19	23,888	56,736
Other reserves	19	6,000	6,000
Profit and loss account	19	564,007	1,331,014
Shareholders' funds	20	617,895	1,417,750

Approved by the Board and authorised for issue on 21st Dec. 2009.

A J M Welch
Director

Notes to the financial statements

at 28 February 2009

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The financial statements have been prepared in going concern basis as the directors have received an undertaking from the ultimate parent that it will continue to provide the required financial support for the foreseeable future.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

True and fair override

The accounting policy relating to investment properties complies with the applicable accounting standard, SSAP 19 *Accounting for investment properties* although it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Group accounts

The Company and all of its subsidiary undertakings are included in consolidated financial statements for a larger group, Stobart Group Limited, registered in Guernsey, drawn up to the same date in the same financial year and those financial statements are drawn up in accordance with the provisions of the Seventh Directive (83/349/EEC) or in a manner equivalent to consolidated financial statements and consolidated annual reports so drawn up. Accordingly the Company, in accordance with the exemption in section 228 (1) (A) of the Companies Act, has not prepared consolidated financial statements.

Cash flow statement

The company is exempt from the requirement of FRS1 (revised) to prepare a cash flow statement as more than 90% of the voting rights of the company are controlled by Stobart Group Limited.

Turnover

Turnover represents invoiced sales from airport activities and of property rentals due, excluding value added tax.

Airport activities are invoiced as and when the goods or services have been supplied and property rentals are invoiced quarterly in advance and accounted for on an accruals basis.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

Tangible fixed assets and depreciation

Tangible fixed assets include investment properties valued by the Directors on an existing use open market value basis. Other tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	-	is not depreciated
Freehold buildings	-	5% straight line
Long leasehold property	-	5% - 10% straight line
Plant and machinery	-	5% - 20% straight line

Notes to the financial statements
at 28 February 2009

Fixtures and fittings	-	5% - 20% straight line
Motor vehicles	-	20% straight line

1. Accounting policies (continued)

A policy of revaluation has not been adopted. Although the carrying value of tangible fixed assets reflects a revaluation carried out on 23 November 1994, the company has adopted the option within the transitional arrangements of FRS 15 to retain the book values of fixed assets at their previously revalued amounts.

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease period.

Investments

Fixed asset investments are stated at cost less provision for any diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Government grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

Notes to the financial statements

at 28 February 2009

3. Operating profit

Operating (loss)/profit is stated after charging:

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
Amortisation of intangible assets	7,333	8,000
Depreciation of tangible assets	236,847	211,642
Loss on disposal of tangible assets	-	11,841
Operating lease rentals	78,767	64,320
Auditors' remuneration (including expenses and benefits in kind)	14,174	16,049
Non-audit services (paid to related company of auditors)	2,350	4,600
and after crediting:		
Government grants	(109,627)	(99,358)
Profit on disposal of tangible assets	(872)	-

Included within the operating costs for the 11 months ended 28 February 2009 are exceptional staff costs of employee service and retention arrangements (£825,572).

4. Investment income

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
Bank interest	25,687	35,268

5. Interest payable

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
On bank loans and overdrafts	7,013	9,176
Hire purchase interest	663	1,101
	7,676	10,277

Notes to the financial statements

at 28 February 2009

6. Taxation

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
Domestic current year tax		
UK corporation tax	(177,186)	166,907
Adjustment for prior years	-	3,290
Current tax (credit)/charge	(177,186)	170,197
Deferred tax		
Origination and reversal of timing differences	(28,974)	-
Adjustments in respect of prior periods	69,642	-
Total deferred tax	40,668	-
Tax on profit on ordinary activities	(136,518)	170,197
Factors affecting the tax charge for the year		
(Loss)/Profit on ordinary activities before taxation	(936,373)	485,597
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008: 30%)	(262,184)	145,679
Effects of:		
Non deductible expenses	23,497	14,683
Depreciation in excess of capital allowances	10,130	9,148
Other timing differences	16,855	-
Adjustments to previous periods	-	3,290
Other tax adjustments	-	(2,603)
Non-qualifying depreciation	39,933	-
Losses utilised in earlier periods	(7,406)	-
Tax losses carried forward	1,989	-
	84,998	24,518
Current tax charge	(177,186)	170,197

Notes to the financial statements
at 28 February 2009

7. Intangible fixed assets

	Goodwill £
Cost:	
At 1 April 2008 and at 28 February 2009	80,000
Amortisation:	
At 1 April 2008	22,000
Charge for the period	7,333
At 28 February 2009	29,333
Net book value:	
At 28 February 2009	50,667
At 31 March 2008	58,000

8. Tangible fixed assets

	Freehold land and buildings £	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:						
At 1 April 2008	32,576	2,193,169	1,119,675	508,775	16,962	3,871,157
Additions	40,283	391,326	100,988	248,076	-	780,673
Disposals	-	-	(31,189)	-	(8,400)	(39,589)
At 28 February 2009	72,859	2,584,495	1,189,474	756,851	8,562	4,612,241
Depreciation:						
At 1 April 2008	-	862,981	878,294	312,350	11,878	2,065,503
On disposals	-	-	(30,864)	-	(7,933)	(38,797)
Charge for the year	-	109,627	69,219	56,524	1,117	236,487
At 28 February 2009	-	972,608	916,649	368,874	5,062	2,263,193
Net book value:						
At 28 February 2009	72,859	1,611,887	272,825	387,977	3,500	2,349,048
At 31 March 2008	32,576	1,330,188	241,381	196,425	5,084	1,805,654

Plant and machinery held at 23 November 1994 was valued at that date by Chestertons plc, International Property Consultants at £1,020,950 on an existing use basis.

Notes to the financial statements

at 28 February 2009

8. Tangible fixed assets (continued)

Comparable historical cost for the plant and machinery included at valuation

	£
Cost:	
At 1 April 2008	496,528
Additions	100,987
Disposals	(6,140)
At 28 February 2009	591,375
Depreciation based on cost:	
At 1 April 2008	311,884
Charge for the period	36,371
Disposals	(5,814)
At 28 February 2009	342,441
Net book value:	
At 28 February 2009	248,934
At 31 March 2008	184,644

Notes to the financial statements

at 28 February 2009

8. Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	*Motor vehicles*	*Total*
	£	*£*	*£*
Net book values:			
At 28 February 2009	70,000	-	70,000
At 31 March 2008	64,166	-	64,166
Depreciation charge for the year:			
At 28 February 2009	-	-	-
At 31 March 2008	9,291	690	9,981

Freehold land and buildings includes land at cost of £32,576 (year ended 31 March 2008: £31,756) that is not depreciated.

Included within long leasehold land are tenants improvements at a cost of £2,571,804 (year ended 31 March 2008: £2,180,478) that are funded by grants from Southend Borough Council. The improvements and the grants are being written off over twenty years in accordance with SSAP 4.

9. Investment Properties

	Investment properties
	£
Cost or valuation:	
At 1 April 2008 and at 28 February 2009	178,000

Notes to the financial statements

at 28 February 2009

10. Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost or valuation:	
At 1 April 2008 and at 28 February 2009	2
Net book value:	
At 28 February 2009	2
At 31 March 2008	2

The above represents the cost of investment in London Express Airport Limited and Thames Gateway Airport Limited, both of which are wholly-owned subsidiaries and have been dormant since incorporation.

11. Stocks

	28 February 2009	*31 March 2008*
	£	*£*
Finished goods and goods for resale	67,965	128,432

12. Debtors

	28 February 2009	*31 March 2008*
	£	*£*
Trade debtors	713,814	1,011,767
Amounts owed by parent and fellow subsidiary undertakings	-	152,668
Other debtors	137,286	253,567
Prepayments and accrued income	110,403	60,562
Corporation tax	177,186	-
	1,138,689	1,478,564

Notes to the financial statements

at 28 February 2009

13. Creditors: amounts falling due within one year

	28 February 2009	*31 March 2008*
	£	*£*
Bank loans and overdrafts	4,883	4,484
Net obligations under hire purchase contracts	19,696	1,202
Trade creditors	345,170	797,979
Amounts owed to parent and fellow subsidiary undertakings	396,475	95,153
Corporation tax	-	166,907
Other taxes and social security costs	65,527	75,098
Other creditors	176,717	15,638
Accruals and deferred income	877,637	811,509
	1,886,105	1,967,970

The bank loan is secured by way of a fixed charge over the company's freehold property. The rate of interest payable is 7.25% and the repayments are £1,083 per month.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Notes to the financial statements

at 28 February 2009

14. Creditors: amounts falling due after more than one year

	28 February 2009	*31 March 2008*
	£	*£*
Bank loans	110,211	115,142
Net obligations under hire purchase contracts	41,727	-
	151,938	115,142
Analysis of loans		
Not wholly repayable within five years by instalments		
Bank loan	115,094	119,626
	115,094	119,626
Included in current liabilities	(4,883)	(4,484)
	110,211	115,142
Instalments not due within five years	87,088	93,583
Loan maturity analysis		
In more than one year but not more than two years	5,170	4,820
In more than two years but not more than five years	17,953	16,739
In more than five years	87,088	93,583
Net obligations under hire purchase contracts		
Repayable within one year	23,193	1,202
Repayable between one and five years	44,511	-
	67,704	1,202
Finance charges and interest allocated to future accounting periods	(6,281)	-
	61,423	1,202
Included in liabilities falling due within one year	(19,696)	(1,202)
	41,727	-

Notes to the financial statements
at 28 February 2009

15. Accruals and deferred income

	Government grants
	£
Balance at 1 April 2008	1,230,830
Balance at 1 April 2008 – Current liabilities	99,358
Grants received during the period	391,326
Amortisation in the period	(109,627)
Included within current liabilities	(128,590)
Balance at 28 February 2009	1,483,297

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the assets acquired by equal annual instalments. The amount of the grant to be released after more than five years is £833,396.

16. Provision for liabilities and charges

	Deferred taxation
	£
At 1st April 2008	-
Movements in the year	40,668
At 28th February 2009	40,668

Accelerated capital allowances	62,499
Other timing differences	(19,842)
Tax losses carried forward	(1,989)
	40,668

Provision at 1st April 2008	-
Deferred tax charge in profit and loss account	40,668
Provision at 28th February 2009	40,668

Notes to the financial statements

at 28 February 2009

17. Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
Contributions payable by the company for the period	132,475	119,894

18. Share capital

Authorised

	28 February 2009	*31 March 2008*
	£	*£*
100,000 Ordinary shares of £1 each	100,000	100,000

Allotted, called up and fully paid		
24,000 Ordinary shares of £1 each	24,000	24,000

19. Statement of movements on reserves

	Revaluation reserve	*Other reserves (see below)*	*Profit and loss account*
	£	*£*	*£*
Balance at 1 April 2008	56,736	6,000	1,331,014
Loss for the period	-	-	(799,855)
Transfer from revaluation reserve to profit and loss account	(32,848)	-	32,848
Balance at 28 February 2009	23,888	6,000	564,007

Other reserves	
Capital redemption reserve	
Balance at 1 April 2008 and at 28 February 2009	6,000

Notes to the financial statements

at 28 February 2009

20. Reconciliation of movements in shareholders' funds

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
(Loss)/Profit for the financial period	(799,855)	315,400
Opening shareholders' funds	1,417,750	1,102,350
Closing shareholders' funds	617,895	1,417,750

21. Financial commitments

At 28 February 2009 the company was committed to making the following payments under non-cancellable operating leases in the period to 28 February 2010:

	Land and buildings			*Other*
	2009	*2008*	*2009*	*2008*
	£	*£*	*£*	*£*
Operating leases which expire:				
Between two and five years	-	-	24,271	22,931
In over five years	71,086	64,320	-	-
	71,086	64,320	24,271	22,931

Notes to the financial statements
at 28 February 2009

22. Capital commitments

At 28 February 2009 the company had capital commitments as follows:

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
Contracted for but not provided in the financial statements	-	565,674

23. Directors' emoluments

	11 months period ended 28 February 2009	*Year ended 31 March 2008*
	£	*£*
Emoluments for qualifying services	362,333	130,569
Company pension contributions to money purchase schemes	12,192	9,579
	374,525	140,148

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (year ended 31 March 2008: 1).

The remuneration of the highest paid director is as follows:

Emoluments for qualifying services	340,688	123,436
Company pension contributions to money purchase schemes	12,192	9,579

Notes to the financial statements

at 28 February 2009

24. Employees

The average monthly number of employees (including directors) during the period was:

	11 months period ended 28 February 2009 No.	*Year ended 31 March 2008 No.*
Operational and administrative staff	102	92

Employment costs:

	11 months period ended 28 February 2009 £	*Year ended 31 March 2008 £*
Wages and salaries	2,825,464	1,990,405
Social security costs	297,932	196,740
Other pension costs	132,475	119,894
	3,255,871	2,307,039

25. Control

The immediate holding company is Stobart Airports Limited, a company registered in England and Wales. The ultimate holding company is Stobart Group Limited, a company registered in Guernsey.

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26. Related party transactions

The Company has taken advantage of the exemption in FRS 8 not to disclose transactions with other members of the Group headed by Stobart Group Limited, the ultimate parent undertaking.